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## Statement From Governor Ducey

1 message

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Governor's Office <communications@az.gov>

Thu, Apr 26, 2018 at 7:38 AM

Reply-To: communications@az.gov

To: eberry@az.gov



OFFICE OF THE GOVERNOR  
**DOUG DUCEY**

FOR IMMEDIATE RELEASE

April 26, 2018

## Statement From Governor Ducey

**PHOENIX** — Governor Doug Ducey today released the following statement regarding today's events and teacher pay:

*Without a doubt, teachers are some of the biggest difference-makers in the lives of Arizona children. They need to be respected, and rewarded, for the work they do — and Arizona can do better on this front.*

*We've all been listening — but now, it's time to act. My number one focus right now is passing a 20 percent pay raise for Arizona teachers. This raise is earned, and it is deserved.*

*To parents, I understand the pain and pressure caused by today's strike. I want you to know, I am working to get this 20 percent raise passed at the Legislature. But we need your help to make it a reality. Call your legislator and tell them to vote "yes" on a 20 percent pay raise for Arizona teachers.*

*We need teachers teaching, and students learning.*

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For more information or assistance, contact Governor Ducey's press office: (602) 542-1342.

Office of the Governor **DOUG DUCEY**



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## Governor Ducey Signs 20 Percent Increase In Teacher Pay

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Governor's Office <communications@az.gov>

Thu, May 3, 2018 at 6:15 AM

Reply-To: communications@az.gov

To: eberry@az.gov



FOR IMMEDIATE RELEASE

May 3, 2018

### **Governor Ducey Signs 20 Percent Increase In Teacher Pay**

*Includes Others Significant Investments In Public Education*

**PHOENIX** — Raises are on the way to Arizona teachers.

Governor Doug Ducey has signed the full #20x2020 plan into law, providing a 20 percent boost in teacher pay over the next three years — including 10 percent in school year 2018 — and a significant increase in flexible dollars to Arizona schools for support staff, new textbooks, upgraded technology and infrastructure.

This package — proposed by Governor Ducey on April 12 and passed today on a bipartisan basis — represents an increase of more than \$1 billion in education spending when fully implemented, including a more than \$520 million increase in K-12 education spending this year alone.

"Arizona teachers have earned a raise, and this plan delivers," said Governor Ducey. "The impact our teachers have on the lives of Arizona kids cannot be overstated. They work incredibly hard to make a difference for their students. This plan not only provides our teachers with a 20 percent increase in pay by school year 2020, it also provides millions in flexible dollars to improve our public education system. I've had the honor of hearing directly from Arizona

teachers, over these last several weeks in particular. It's their input that has shaped and improved this plan. We will never check the box on public education, but this is one big, positive step in the right direction for our teachers and their students."

Investments in Arizona's classrooms include \$371 million to fully restore recession-era cuts to Additional Assistance over the next five years, starting with \$100 million this fiscal year. These flexible and permanent dollars will be available for updating curriculum, modernizing classroom technology and increasing support staff salaries.

The budget also includes other important K-12 education investments, including \$1.8 million to fund career and technical education, \$10 million for behavioral health specialists, \$53 million for building renewal to improve school infrastructure – the highest funding level since 2007 – and \$86 million over two years for construction of five new schools.

This budget was very much influenced and shaped by Arizona school leaders.

On April 10, Governor Ducey met with a group of superintendents representing students from across the state specifically to talk about the impact a strike would have on their schools and communities. During that meeting, they described the challenges of recruiting and retaining staff, and at the same time, managing all of the remaining needs in their schools.

The next day, on April 11, the Finance Advisory Committee, consisting of independent economists, recognized that revenues through March were \$262 million above forecast and included significant increases in ongoing revenues available to the state over the next several years. This report confirmed news released on April 9 from the nonpartisan Congressional Budget Office announcing a 75 percent upward revision to growth forecasts for the national economy over the next two years. With that improved outlook, Arizona could realize over \$1.5 billion in additional revenues over the next five years.

The budget does not compromise other essential state services to accommodate our teacher pay package. In fact, it increases the state's commitments to developmental disabilities, skilled nursing facilities, Medicaid, critical access hospitals, the arts, food banks and higher education.

For additional information on the budget, click [HERE](#).

### **Investments in the budget include:**

#### *Education*

**\$644.1 million** for a 20% increase in teacher pay school year 2020; these raises will be ongoing, protected in the base of the budget and inflated

- **\$304.9 million** for 10% teacher pay raise in FY 2018/FY 2019 (school year 2018)
- **\$164.7 million** for 5% teacher pay raise in FY 2020 (school year 2019)
- **\$174.5 million** for 5% teacher pay raise in FY 2021 (school year 2020)

**\$371 million** to fully restore recession-era cuts to Additional District/Charter Assistance, phased-in over five years

- **\$100 million** in FY 2019
- **\$168 million** in FY 2020
- **\$236 million** in FY 2021
- **\$303 million** in FY 2022
- **\$371 million** in FY 2023

**\$86 million** in cash funding for the construction of new schools (three in Chandler, one in Tolleson Unified, one in Queen Creek)

**\$53 million** for K-12 school building renewal, the highest level of funding since 2007

**\$27 million** in capital funding for Arizona's universities: ASU, NAU, and UofA

**\$8 million** for resident student funding at Arizona's universities

**\$5.3 million** for ADE's Education Learning and Accountability System

**\$3 million** (plus \$7 million in federal dollars) for behavioral and mental health specialists to enhance school safety

**\$2 million** for the Arizona School for the Deaf and Blind to enhance the early childhood learning program

**\$2 million** for ASU's School of Civic and Economic Thought and Leadership and UofA's Center for the Philosophy of Freedom

**\$1.8 million** to fully fund the state formula for career and technical education (JTEDs)

**\$1 million** to create a computer science professional development program

#### Happy and Healthy Citizens

**\$55 million** in provider rate increases for hospitals, the first broad-based increase since 2007

**\$14.1 million** to fully fund adoption subsidies for nearly 35,000 children

**\$13 million** for network enhancement payments to providers of developmental disabilities services (a \$1 million increase from the prior year)

**\$10.7 million** to fix a recession-era shortfall in the developmentally disabled program, guaranteeing funding for free developmental evaluation of children, case management, and room and board

**\$8 million** in new dollars to expand the capacity of soon-to-be-built veterans homes in Yuma and Flagstaff

**\$2.9 million** in skilled nursing provider rate increases

**\$2.6 million** to relieve counties of contributing to the State's Medicaid match

**\$2 million** for Alzheimer's research

**\$2 million** to increase the level of military retirement pay exemption from \$2,500 to \$3,500

**\$2 million** for the Arts Commission, an increase of \$500,000 from last year

**\$1.8 million** in increased funding for critical access (rural) hospitals

**\$1.7 million** extra State assistance for Pinal, Yavapai, and Mohave counties

**\$1.7 million** to expand abuse treatment at prisons to help reduce recidivism

**\$1.4 million** to expand education services to 486 inmates

**\$1 million** for Arizona food banks to increase capacity, especially those in rural areas

**\$500,000** for an additional 975 inmates to participate in employment training at Lewis and Perryville

**\$500,000** for expanded home and community-based services for the elderly

#### Public Safety

**\$24 million** (**\$6 million** state funds and **\$18 million** federal funds) to construct a new National Guard Readiness Center in Tucson area to improve training and readiness

**\$11.3 million** to eliminate counties paying for a share of operating costs at the Arizona Department for of Juvenile Corrections Offset

**\$3 million** to eliminate the county cost shift for the Arizona State Hospital to treat sexually violent persons

**\$2.9 million** to add troopers to Arizona's Border Strike Force to protect critical regions in Southern Arizona

**\$1.4 million** for additional troopers on Wrong-Way Driver Night Watch to improve response times to wrong-way and impaired drivers

**\$800,000** to establish the Arizona Pharmaceutical Diversion Task Force to combat abuse and trafficking of prescription drugs

**\$600,000** over three years to improve Arizona's criminal background check system

#### Natural Resources

**\$25.6 million** increase for preventative highway maintenance (for a total of \$41 million), the highest level spent in State history

**\$4 million** to develop Oracle State Park in the Catalina Mountains to expand the park to allow more accessibility to the public

**\$2.5 million** to renovate Buckskin Mountain State Park in Parker as part of a three-year plan

**\$700,000** to expand wildfire prevention efforts

**\$350,000** for maintenance on 37 dams and other properties owned by the Game and Fish Department

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For more information or assistance, contact Governor Ducey's press office: (602) 542-1342.

Office of the Governor **DOUG DUCEY**



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 APRIL 30, 2018

# BUDGET UPDATE



## BUDGET UPDATE

## OVERVIEW

	FY19	FY20	FY21
TOTAL GF BUDGET	\$10.4 B	\$10.8 B	\$11.3 B
Spending Increase	5.7%	3.9%	4.8%
Structural Balance	\$150m	\$45m	\$2m
Cash Balance	\$240m	\$192m	\$106m

Rainy Day Fund= \$467m

Average spending growth '01-'08: 7.9% ('07: 23%)

Average spending growth '15-'19: 2.9%

BUDGET UPDATE

**TEACHER PAY**

- ▶ #20x2020
- ▶ In the base level
- ▶ Inflated
- ▶ Ongoing
- ▶ Permanent
- ▶ 20% increase over FY17

*\*Plan includes two-year bridge to Prop 301*

*\*Advance-appropriated*

Fiscal Year	Increase	Amount	School Year
FY 18	1%	\$32.3m	2017-2018
FY 19	9%	\$272.6m	2018-2019
FY 20	5%	\$164.7m	2019-2020
FY 21	5%	\$174.5m	2020-2021
Total, Ongoing 20%		\$644.1m	

## BUDGET UPDATE

### OTHER K-12 SPENDING

- ▶ Additional Assistance
  - ▶ Fully Funded; advanced appropriated
  - ▶ \$371m (phased in over 5 years)
  - ▶ \$100m this year
    - ▶ Fully funds small and rural schools
- ▶ Arizona School for the Deaf and Blind
  - ▶ \$2m (early childhood intervention)
  - ▶ Teachers are included in pay package
- ▶ Career and Technical Education (JTED)
  - ▶ \$1.8m Fully funds all JTEDs
- ▶ School Safety
  - ▶ Behavioral Health Specialists
    - ▶ \$3m State
    - ▶ \$7m Federal Drawdown
  - ▶ \$600k over 3 years to improve background check system
- ▶ Schools Paid for w/Cash
  - ▶ \$88m
- ▶ Building Renewal
  - ▶ \$53m (highest level since 2007)

## BUDGET UPDATE

### HIGHER EDUCATION

- ▶ Funding Arizona's Universities
- ▶ ASU, NAU, UofA
  - ▶ \$27m (capital funding)
  - ▶ \$8m (resident student funding)
  - ▶ \$2m (ASU School of Civic and Economic Thought and Leadership; Center for the Philosophy of Freedom at the UofA)

## BUDGET UPDATE

# HEALTHCARE

- ▶ Increased Funding for Critical Access (rural) Hospitals
  - ▶ \$1.8m
- ▶ Provider Rate Increase for Hospitals
  - ▶ 2.5% (in-patient and out-patient AHCCCS rates)
  - ▶ 1<sup>st</sup> increase since 2007
  - ▶ \$55m
    - ▶ \$10m General Fund
    - ▶ \$3m Hospital Assessment
    - ▶ \$42m Federal Funds
- ▶ Skilled Nursing Provider Rate Increase
  - ▶ \$2.7m (AHCCCS)
  - ▶ \$200k (DES/DD)
- ▶ Tobacco Tax Alignment
  - ▶ \$35m savings
- ▶ Developmental Disabilities
  - ▶ \$13m
- ▶ Alzheimer's Funding
  - ▶ \$2m

BUDGET UPDATE

COUNTY MONEY

- ▶ Eliminate County Contribution for Medicaid State Match (DUC Pool Payments)
  - ▶ \$2.6m (ongoing)
- ▶ Pinal, Yavapai, Mohave ongoing \$550k distribution
  - ▶ \$1.7m
- ▶ Juvenile Corrections Offset
  - ▶ \$11.3m (one-time)
- ▶ Eliminate Arizona State Hospital SVP Shift
  - ▶ \$3m

**BUDGET UPDATE**

**PUBLIC SAFETY**

- ▶ Wrong-Way Driver Night Watch
  - ▶ \$1.4m
  - ▶ 6 Troopers
  - ▶ Fully Funded
- ▶ Border Strike Force
  - ▶ \$2.9m
  - ▶ 12 Troopers
  - ▶ Fully Funded

## BUDGET UPDATE

### VETERANS

- ▶ Veterans Homes
  - ▶ \$8m additional dollars
  - ▶ Increased construction costs and capacity to serve veterans
  - ▶ Yuma and Flagstaff homes scheduled for 2019
- ▶ Increase Veterans Pension Exemption
  - ▶ \$2m
  - ▶ Increase from \$2,500 to \$3,500



BUDGET UPDATE

**OTHER INVESTMENTS**

- ▶ Adoption Subsidies
  - ▶ Fully Funded
  - ▶ Multiple fund sources
- ▶ Arts
  - ▶ \$2m
  - ▶ Increase of \$500,000
- ▶ Arizona Food Banks
  - ▶ \$1m
  - ▶ Increasing food bank capacity, including rural food banks

## BUDGET UPDATE

### HOW DO WE PAY FOR IT?

Fiscal Year	Base Revenue Growth
FY 19	4.3%
FY 20	4.4%
FY 21	4.5%

Average revenue growth '01-'08: 8% ('07: 23.7%)

Average revenue growth '15-'19: 4%

- ▶ AHCCCS Caseload Decrease
- ▶ Tax Fraud Prevention
  - ▶ \$30m
- ▶ Department of Revenue Auditors
  - ▶ \$25m
- ▶ Highway Safety Fund Savings
  - ▶ \$100m+ in FY20
- ▶ Private Prison Per Diem Cap
  - ▶ \$2.8m
- ▶ Agency Reductions
  - ▶ \$8m Starting in FY20
- ▶ Property Tax Reform
  - ▶ \$18m savings